Half Yearly Examination 2014-15

18|9|14

Class - XII

Sub. - Accountancy

Time - 3 hrs. M.M. - 80

Note:- Attempt all the questions.

Q.1. Define partnership deed. **(1)**

Q.2. Name any two factors affecting the goodwill of a partnership firm. **(1)**

Q.3. State any two purposes for admitting a new partner in a firm. **(1)**

Q.4. What is meant by Reserve Capital ? **(1)**

Q.5. Give two meaning of forfeiture of shares. **(1)**

Q.6. What is private placement of shares ? **(1)**

Q.7. A, B, C and D are partners sharing profits in ratio 4 : 3 : 2 : 1. A retires and B, C and D agreed to share future profits in ratio 1 : 1 : 2. Goodwill of the firm was valued at ₹ 40,000. Pass necessary entries if goodwill appears in the books ₹ 20,000. **(3)**

Q.8. The capital of the firm of Anu and Benu is 1,00,000 and the market rate of interest is 15%. Annual salary payable to partners is ₹ 6,000 each. The profits for the last 3 years were ₹ 30,000, ₹ 36,000 and ₹ 42,000. Goodwill is to be valued at 2 years' purchase of the last 3 years average super profit. Calculate goodwill of the firm. **(3)**

Q.9. A, B and C are partners sharing profits and losses in ratio of 4 : 3 : 2. They decided to share future profits and losses in the ratio 2 : 2 : 1 *w.e.f.* 1-1-2008. They decided to record the effect of the following without affecting their book values :

(i) Profit & Loss A/c ₹ 31,500

(ii) Advertisement Suspense A/c ₹ 9,000

Pass necessary adjustment entry. **(3)**

Q.10. R and T are partners in a firm sharing profits in the ratio of 3 : 2. S joins the firm. R surrenders 1/4th of his share and T 1/5th of his share is favour of S. Find the new profit sharing ratio. **(3)**

Q.11. A and B are partners in a firm sharing profits in the ratio of 3 : 2. They admit C into partnership, C paying a premium of ₹ 1,000 for 1/4th share of profit. A, B and C decide to share the future profits in the ratio of 3 : 3 : 2. Give journal entries to record the above arrangement in the books of the firm. **(3)**

Q.12. State the purposes for which security premium reserve can be used. **(3)**

Q.13. Record the Journal entries for forfeiture and issued in the following cases :

(a) X Ltd. forfeited 200 shares of ₹ 100 each, ₹ 70 called up, on which the shareholders, had paid application and allotment money of ₹ 50 per share. Out of these, 150 shares were re-issued to Naresh as ₹ 70 paid up for ₹ 80 per share. **(3)**

(*b*) Y Ltd. forfeited 180 shares of ₹ 10 each, ₹ 8 called up, issued at a premium of ₹ 2 per share to R for non-payment of allotment money of ₹ 5 per share (including premium). Out of these, 160 shares were re-issued to Sanjay as ₹ 8 called up for ₹ 10 per share fully paid up. **(3)**

(*c*) Z Ltd. forfeited 30 shares of ₹ 100 each issued at a discount of ₹ 10 per share for non-payment of first and final call money of ₹ 30 per share. Out of these, 20 shares were reissued at ₹ 30 per share fully paid up. **(4)**

Q.14. X and Y were partners sharing profits in ratio 2 : 1. Their respective fixed capitals were ₹ 5,00,000 and ₹ 3,00,000. The partnership deed provided the followings :

(*i*) Interest on Capital @ 6% p.a.

(*ii*) Interest on Drawings @ 12% p.a.

During the year ended 31st December, 2008, drawings of X were ₹ 1,000 p.m. drawn at the beginning of every month and of Y's were ₹ 1,000 p.m. drawn at the middle of every month.

After the preparation of final accounts for the year, it was discovered that interest on capitals and interest on drawings of partners were omitted. Give the rectifying journal entry. **(4)**

Q.15. Following is the Balance Sheet X, Y and Z as on 31st December, 2007 who share profits in proportion of their capital :

Liabilities		(₹)	***Assets***	(₹)
Sundry Creditors		25,000	Plants	30,000
Reserve Fund		8,000	Furniture	8,000
Capital Accounts :	(₹)		Stock	10,000
X	20,000		Sundry Debtors	20,000
Y	10,000		Cash at Bank	5,000
Z	10,000	40,000		
		73,000		73,000

Y died on 31 March, 2008. Under the terms of partnership deed, the executors of a deceased partner were entitled to :

(*a*) Amount standing to the credit of the partner's capital account.

(*b*) Interest on capital @ 6% p.a.

(*c*) Share of goodwill on the basis of thrice the average of the past 3 years' profits and

(*d*) Share of profit from the closing of the last financial year to the date of death on the basis of the last years' profit.

Profit for the year 2005, 2006 and 2007 were ₹ 16,000, ₹ 17,000 and ₹ 18,000. Profits are shared in the ratio of capitals.

Draw up the Y's account to be rendered to his executors. **(6)**

(b) Y Ltd. forfeited 180 shares of ₹ 10 each, ₹ 8 called up, issued at a premium of ₹ 2 per share to R for non-payment of allotment money of ₹ 5 per share (including premium). Out of these, 160 shares were re-issued to Sanjay as ₹ 8 called up for ₹ 10 per share fully paid up. **(3)**

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		73,000		73,000

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Profit for the year 2005, 2006 and 2007 were ₹ 16,000, ₹ 17,000 and ₹ 18,000. Profits are shared in the ratio of capitals.

Draw up the Y's account to be rendered to his executors. **(6)**

Q.16. X, Y and Z are partners with a fixed capital of ₹ 2,50,000, ₹ 2,00,000 and ₹ 1,50,000 respectively. They agreed to share profits upto ₹ 24,000 in their capital ratio and rest of the profit equally. X advanced ₹ 50,000 as loan @ 8% p.a. to the firm. The partnership deed further provided that :

(i) Interest on capital be allowed at 6% p.a. and interest on drawings be charged at 6% p.a.

(ii) X withdrew ₹ 20,000 during the year while Y and Z withdrew ₹ 1,500 p.m. each.

(iii) Z was entitled to commission of 5% of net profit after charging his commission.

The net profit before charging these adjustments for the year was ₹ 67,000. Prepare Profit and Loss Appropriation Account of the firm. **(6)**

Q.17. A, B and C started business on 1st January, 2008. They agreed to share the profits and losses in the ratio of 2 : 2 : 1. Their capitals were ₹ 40,000, ₹ 40,000 and ₹ 20,000 respectively. The partnership provided for interest on capital at 8% per annum. During, 2008, the firm earned a profit of ₹ 20,000 (before providing interest on capital). During the year, partner's drawings were A ₹ 10,00, B ₹ 10,000 and C ₹ 6,000.

They decided to dissolve the firm on 31st December, 2008. The assets were sold which realised ₹ 1,00,000 and cash in hand was ₹ 10,000. There were creditors to the amount of ₹ 36,000 which were paid off ₹ 34,000. There were liabilities amounting ₹ 8,000; not shown in the books which were also to be paid.

Prepare necessary accounts to close the books of the firm. **(6)**

Q.18. S India Ltd. issued for public subscription 40,000 equity shares of ₹ 10 each at a premium of ₹ 2 per share payable as under :

On application	₹ 2 per share
On allotment	₹ 5 per share (including premium)
On first call	₹ 2 per share
On second call	₹ 3 per share

Applications were received for 60,000 shares. Allotment was made on pro-rata to the applicants for 48,000 shares, the remaining applications being refused. Money overpaid on application was applied towards sum due on allotment. A to whom 1,600 shares were allotted failed to pay allotment and call money. B to whom 2,000 shares were allotted failed to pay two calls. The shares of A and B were subsequently forfeited after second call. 3,000 of the forfeited shares were reissued at ₹ 7 per share fully paid up. The reissued shares included all shares of B.

(i) Pass journal entries in the books of company to record the above transactions.

(ii) Which value has been affected by rejecting allotment to applicants who have applied for 12,000 shares?

(iii) Which value has been affected by forfeiting shares of A just after the non-payment of shares 1st call ? **(8)**

Q.19. R, S and T were partners in a firm sharing profits in 2 : 2 : 1 ratio. On 1-4-2009, their Balance Sheet was as follows :

Liabilities		(₹)	*Assets*	(₹)
Bank Loan		12,800	Cash	51,300
Sundry Creditors		25,000	Bills Receivable	10,800
Capitals :	(₹)		Debtors	35,600
R	80,000		Stock	44,600
S	50,000		Furniture	7,000
T	40,000	1,70,000	Plant & Machinery	19,500
Profit and Loss A/c		9,000	Building	48,000
		2,16,800		**2,16,800**

S retired from the firm on 1-4-2009 and his share was ascertained on the revaluation of assets as follows :

Stock ₹ 40,000; Furniture ₹ 6,000; Plant and Machinery ₹ 18,000; Building ₹ 60,000; ₹ 1,700 were to be provided for doubtful debts. The goodwill of the firm was valued at ₹ 24,000.

R & T agreed to share future profits in ratio 3 : 2. S was to be paid ₹ 17,680 in cash on retirement and the balance in three equal yearly instalment. Prepare Revaluation Account, Partners' Capital Accounts, S's Loan Account and Balance Sheet on 1-4-2009. **(8)**

Q.20. A and B are partners sharing profits and losses in ratio of 3 : 2. Their Balance Sheet on 31-3-2008 was as under :

Liabilities		(₹)	*Assets*	(₹)
Creditors		40,000	Goodwill	10,000
Workmens' Compensation Fund		10,000	Plants	60,000
Capitals :	(₹)		Investments	20,000
A	60,000		Debtors	30,000
B	50,000	1,10,000	Stock	20,000
			Cash	20,000
		1,60,000		**1,60,000**

C was admitted as partner. He brings ₹ 50,000 as his capital. New ratio will be 5 : 3 : 2. Other terms were :

(a) Investment be brought upto ₹ 25,000 and Plant be reduced to ₹ 55,000.

(b) One customer who owed ₹ 4,000 became insolvent & nothing is recovered from him.

(c) Claim of workmen's compensation was ₹ 15,000.

(d) Goodwill of the firm was valued at ₹ 75,000.

(e) Capital of partners shall be in proportion to their profit sharing ratio based on C's Capital.

Prepare Revaluation Account, Partner's Capital Accounts and Balance Sheet. **(8)**